

SEEING LIFE with JOHN HENRY & George V. Hobart

John Henry On Tipping

SAY! did you ever make up your mind not to do any more tipping? And have you noticed how quickly you're forced to take the make-up off?

In a Big Town nowadays tipping is as necessary as a traffic cop. Only by the aid of one or both can you make any progress or get anywhere.

And the battle cry in each case is "Hands up!"

It's so in this country today that before a thoughtful man cushion-caroms through the mossy-round doors of a swell hotel he has to leave his pocket-book on the sidewalk if he doesn't want to lose it.

On the other side, across the Big Pond, if a hotel employee does you a little favor and you slip him tuppence, hapenny or a pifenny he will smile back at you and be much obliged for five minutes.

But in this country if you tip anybody with a couple of pennies the chances are you'll be sent to the nearest hospital and find a kind-hearted but not very pictorial nurse leaning over you and whispering "Keep calm, now, keep cool and calm!"

The doctor says you will recover everything except your watch if he can find a small piece of the medulla oblongata which was removed from the northeastern part of your brain when the hell-boy soaked you with the ice-pitcher!

It takes a brave man to save his money these days.

Hep Hardy is one of those reckless tip-tossers. He thinks that all silver money should have a smooth surface, thereby making it easier to slip a coin to a waiter.

He is that the lauragnies would call a pepper box of prodigality. Hep hands out backslashes like an absent-minded farmer sowing grain.

Hep's trail through a Big Town looks as though the cashier of a five and ten cent store was walking to the bank and had a hole in the canvas bag.

When Hep starts out to pound a public road with his rowdy-cart all the waiters in every hash-foundry within sound of his siren fall flat on their faces and yell, "Hallelujah! pay-day is here again!"

Peaches and I dined with Hep at the Saint Astorville Hotel night before last. Hep likes to dine there because the waiters are French and when he tries to say "Good evening!" in their native tongue he insults them so bitterly he has to sprinkle the room with tip-money in order to square himself.

Hep loves to squeeze into a French cafe, grab a French menu card, and in a confidential tone give an order like this to the French waiter: "Avec le beau coup pomme de terre. Donnez moi de l'eau chaude; je vais me raser. Avec ça, un move on you!"

In a French hour and a half the French waiter backs up with a culinary melodrama wherein each swallow is a thrill and every new

but he has memorized the name of every street in Paris.

So when Hep exhausts his nine ordinary words he begins to use up the streets. He rushes, regardless of speed limits, all over the city of Paris. Out to Vaugirard, over to the Batignolles, to Clichy, by rue and side streets to the eastern Boulevard Beaumarchais and St. Denis, then across lots to the western Boulevard des Italiens, then into the high and off through the Place de la Concorde, around corners on one wheel into the Champs Elysees and on and on with the muffler off—it's immense.

However, as I was saying some time ago, Peaches and I dined with Hep and he handed us a few lessons in the gentle pastime of tipping, he surely did.

From the very moment we entered the aristocratic beanyery he began the giving of alms.

The attendant at the revolving door imprisoned a nice old pickerel cell No. 3 and kept her there, cut off from communication with the world, while he waited for Hep to dig in his jeans for the customary quarter.

A hall-boy, paging a missing husband, stopped short as he saw our party approaching, arranged his face in imitation of a Spanish mackerel, saluted Hep and received ten cents for his trouble.

Battling Bill, the house detective, loomed bulkily in our pathway and without warning suddenly stooped down to pick up a pin. Hep did a hoodah over the tame Corp's feet and when they both came smilingly to the surface Battling Bill clutched a fifty cent piece in his Westphalia and the procession moved on.

Then from some dark recess or niche in the wall something in brass buttons and with a whisk broom in his hand, darted out like a pickerel and pointed the whisk broom at Hep. The latter pointed a quarter at the something in brass buttons, whereupon the brass buttons and the whisk broom and the quarter darted away again, slithering bringing to a conclusion the incident of the pickerel.

As we approached the coat room the girl in charge was seen to close her eyes in prayer. She didn't open them again until after Hep had explained to her that if she spent the money he gave her for a new hat she wouldn't have to give it to the income-tax gatherers. Whereupon she was glad and showed her gum chewing instructions. Then she glanced at the inside of my hat to see if it was expensive and sighed deeply as we passed on.

At the door of the soup room we were met by Effendi Bey, the head waiter.

Hep whispered something to Effendi but the boy wasn't listening. He was looking at Hep's hand which he knew must contain money. It alluded to the French waiter: "Avec le beau coup pomme de terre. Donnez moi de l'eau chaude; je vais me raser. Avec ça, un move on you!"

In a French hour and a half the French waiter backs up with a culinary melodrama wherein each swallow is a thrill and every new

Hep would pat his head and reward him cheerfully.

course a climax, and Hep, believing it is all due to his knowledge of the French language, swells up with pride and begins to toss money into the air.

Hep doesn't know it, but while he's spilling that Schenectady French all over the tablecloth the waiter is getting a stone bruise on his palate from holding back his Parisian laughter.

Hep would wrinkle his map with anger if he heard me, but I've been present when he has blurted out some of his French idioms with the ossified accent, and it's a scream, I notify you!

On one memorable occasion he ordered lamb chops and a baked potato in French. The waiter bowed, said, "Out, M'sieu!" and brought him a bowl of vegetable soup and the morning paper.

"That's how good that lad's French is poor nut."

As a matter of fact Hep knows exactly nine ordinary French words, including n'est pas and avec plaisir,

hands, whereupon Effendi Bey began to hum, "in my ham—my dinky little harem!" and turned us over to the next table.

Murad Pasha led us to a table and stood there—counting the spoons—until Hep could find another pocket containing money.

Then Murad Pasha, clutching his shawl in one hand, with his bow and obeisance, faded out of our lives and Giovanni Handsandfett, the omnibus, began to splash water into our glasses.

Hep got rid of Giovanni by sticking his little brother Angelo to get through college, and thereafter for a period of ten or fifteen minutes Hep was permitted to breathe quietly through his nose, and his pocketbook enjoyed a much needed rest.

Soon, however, another coughing fit came on and his struggles for breath were pitiful.

One of Effendi Bey's Hutenants, made up to look like Ivan the Terrible, rode up to our table to inquire if a waiter had taken our order. Hep told him no, but Ivan couldn't believe it. Ivan was firm in his disbelief until Hep gave him money, then he saw the light and went joyously away from there.

Presently a waiter arrived who in some other incarnation must have been a pirate on the Spanish Main.

He had a chin which was divided against itself, and a forehead which was retreating hurriedly on the fourth speed.

One look at Captain Kidd and I knew that Hep's desire to die poor but popular would be realized.

All the time the Captain was taking our order he was slinging us up and hoping in Portuguese that Hep's eyesight wasn't good so he could short-change him.

Finally the deadly Rover of the Seas decided to give us our food first and make us walk the plank afterwards. Then he bore away, sou' by sou'east, for the kitchen where he dropped anchor and sharpened his boarding iron.

In the meantime, while we awaited the return of the Pirate King, our friend Hep was busy tipping.

Every time he took a cigarette from his case four eager waiters would dash forward with lighted matches

When the Bell-Boy Soaked You Over the Bean With an Ice Pitcher.

And Hep, desiring to show no partiality, would slip a coin to each of the Mexican guerrillas.

One shark of a waiter swam around in the offing and every time Hep's serviette dropped from his knees to the floor the shark would retrieve it and as he came to the surface with the serviette in his teeth Hep would pat his head and reward him cheerfully.

It was one continuous orgy of tipping until finally we left the Frunes Palace with Captain Kidd gloating over the pieces of eight which Hep had given him and singing to himself, "Oh, ho—a bottle of rum on a dead man's chest!"

Hep insisted upon taking us home in a taxi so that he could tip the starter and the chauffeur.

We stopped in the drug store at our home corner to mail some letters and Hep found a waiting weighing machine and tipped the scales.

There are ginks like Hep in every Big Town, going through the night like a cyclone through the sub-trails, scattering pocket money right and left like so much chaff simply because they want to be looked upon as High Class Sports.

And it's hard to follow their act. It's rough sledding for the Sensible Lads who are willing to pay for services rendered but balk at the myriad of outstretched paws which line the Pathways of Enjoyment.

I was talking to Miff Patterson about it. Miff invested a machine for removing sunburn from pickles and made a fortune.

He has it yet, all except two cents he paid for a postage stamp which stuck to his pocketbook some nine years ago. But he has the pocketbook and he still can look at the stamp and consider it an asset.

Miff is such a stinging loosener he looks at you with one eye so as not to waste the other.

The boys call him "Putty" because he's the next thing to a pain.

If you ask him what time it is he takes off four minutes as his commission for telling you.

"Tipping!" said Miff; "what do you mean tipping?"

"To give a bit of coin to a waiter or who do you a service," I explained.

"Oh!" said Miff; "I've heard about it, but I don't do it. I don't know any waiter well enough to give him money to take home to his wife. She might meet me afterwards and thank me for it and my wife might hear about it—that's risky work."

"But you can't get good service in the restaurants or hotels unless you do a bit of tipping. How do you manage it?" I inquired.

"Easy," Miff answered; "I never go to the same hotel twice. I begin at the head of the list and go to them all. By the time I get around to the first one again all the old waiters have grown rich and have gone back to Bulgaria, so I'm safe—that's my system."

Maybe Hep is right, and maybe Miff is right. For my part I believe in moderation, twist and bechune.

What do you think?

It is easier to criticize the best thing superbly than to do the smallest thing inferiorly.

Burley Tobacco Company Makes Financial Statement

Lexington, Ky., October 5, 1915.

To the Stockholders of the Burley Tobacco Company in Annual Meeting Assembled at Lexington, Kentucky, October 5, 1915:

On or about the 4th day of May 1915, a suit was instituted in the Fayette Circuit Court by J. L. Vallandigham and others against the Burley Tobacco Company. The plaintiffs in this suit have made in their pleadings charges of mismanagement, fraud, corruption and neglect against the officers of this Company, and some of these charges have been made specific.

On August 20, 1915, the Executive Committee of the Burley Tobacco Company passed the following resolution:

WHEREAS, a suit has been filed in the Fayette Circuit Court by J. L. Vallandigham and others against the Burley Tobacco Company charging fraud, corruption and neglect against the officers of this Company, and asking the Court to dissolve the Company, and

AND WHEREAS, it is important to the stockholders that these charges be fully investigated with the strictest impartiality, in order that their truth or falsity may be clearly established, and without the enormous expense incident to court proceedings;

NOW THEREFORE, BE IT RESOLVED, by the Executive Committee of the Burley Tobacco Company that each of the stockholders be notified that the persons making these charges will be requested to bring them before the annual stockholders' meeting to be held in Lexington, Kentucky, on October 5th, 1915, for their consideration and action, and

WHEREAS, many of the stockholders will be unable to attend said annual meeting, and it is important that they be represented by a Proxy Committee who have no connection with the management of the Company, and who act independently and without favor to any individual;

NOW THEREFORE, BE IT RESOLVED, that we request E. K. Renaker, of Harrison County, Glave Goddard, of Mercer County, and Chas. L. Land, of Fayette County, to act as a Proxy Committee for those stockholders who cannot attend in person, and we urge all such stockholders to send their proxies to said Committee with the assurance of our belief that they can be trusted by the stockholders to act solely for their interest, and that said Proxy Committee will be expected to act without the slightest partiality toward any officer of this Company, and

BE IT FURTHER RESOLVED, that a full and complete financial report of the Company's business be made at said stockholders' meeting, and that the same be furnished to said Proxy Committee or any other committee which the stockholders may appoint to make a thorough investigation concerning these charges, and the condition of this Company, and

The undersigned, E. K. Renaker, Glave Goddard and Charles L. Land, requested by said resolution to act as a Proxy Committee for stockholders, consented to so act, and caused a letter to be issued from the office of the Company to each of the stockholders apprising them in a general way of the charges made against the officers of their Company, and that an opportunity would be afforded at the annual stockholders' meeting to present these or any other charges.

This Committee, after meeting and considering the situation, decided to make an investigation of the charges made in the above suit prior to the stockholders' meeting and to lay before the stockholders the results of their investigation.

The officials of the Burley Tobacco Company have given this Committee and C. W. Banta, of Louisville, Ky., the expert accountant, employed by them, unrestricted access to all of the books and records of the Company. The Committee had before them a summary of the charges made in the Vallandigham suit, and have undertaken to investigate these charges. The result of their investigation is set out in the following report, the particular charge being first stated and then the findings of the Committee given thereon:

I. The plaintiffs charge that the Burley Tobacco Company, in handling, warehousing and redrying tobacco belonging to the 1909 pool, charged the growers excessive fees and that the profit of \$220,000 was by reason of the excessive and unfair charges.

Upon this we find that prior to the organization of this Company and prior to the organization of the Burley Tobacco Society tobacco growers were compelled, under existing conditions, to ship their tobacco to warehouses in Louisville, Cincinnati and other large central points far remote in most instances from the homes of the growers. The tobacco was thus shipped in hogheads, the grower was required to pay the freight, drayage, warehouse fees, insurance, inspection and a great many other fees and costs. Upon the organization of this Company it was determined that the growers who pooled with this Company should be charged a less fee for warehousing than they had been charged under the old system, and that this fee when thus collected was to belong to the growers themselves, that is, to their company, and was to be applied in the affairs of their company. All sums thus collected by this company from this source was for the benefit of the growers who were poolers. It was, in effect, as if the money was taken from one pocket and put into the other, because if this sum had not been collected in this way, the expenses of our organization would have had to have

been met by direct charges assessed against the selling price of tobacco. It is to be noted that growers who were not poolers with this Company were charged fees in excess of that complained of by Vallandigham and others in this suit, for which they got no return benefit insofar as any repayment to them was concerned. We find that the fees so charged were not excessive, nor were they unfair.

II. That the Burley Tobacco Company charged the growers \$275,000 for insurance, when the tobacco was not in fact insured, and that the amount paid to and received by the Burley Tobacco Company for insurance should have been repaid to the growers.

What has been said in the last paragraph as to warehousing and redrying fees will apply to this item of so-called insurance. As a matter of fact this Company, instead of paying insurance companies to insure the growers' tobacco in pool, themselves issued inconvertible warehouse receipts, by which they guaranteed to redeliver to the pooler or to his assignee the exact quantity and grade of tobacco warehouse, regardless of loss by fire. The Company charged the grower a certain per cent for guaranteeing to the grower the return of his tobacco, which was equivalent to insurance. The Company itself did not insure the tobacco, but took the risk of loss by fire. The net profit of the Company from this source was \$260,000. The Company therefore saved to the grower the insurance which formerly had been paid of which was taken out of the State of Kentucky. By this arrangement the money which went out of the state to foreign insurance companies was kept in the state, and, instead of going to insurance companies, went to the Burley Tobacco Company, the stock in which was owned by the growers themselves. The charge made by the Company was entirely legitimate, and the profit was legitimate profit to the Company.

III. That between the time of the organization of the Company and the election of a Board of Directors in 1912, those in charge of the Company's affairs applied its assets for the personal use and benefit of many of its managers.

After investigating this charge we find nothing to sustain it.

That the Company owns buildings used for storage and pricing of tobacco, as follows:

One in Anderson County.
One in Breckinridge County.
One in Bracken County.
Three in Boone County.
One in Campbell County.
One in Franklin County.
One in Fleming County.
Two in Grant County.
One in Hart County.
Two in Harrison County.
Three in Hardin County.
Three in Henry County.
Two in Letcher County.
One in Mercer County.
One in Meade County.
Three in Owen County.
One in Oldham County.
Four in Robertson County.
Two in Scott County.
One in Spencer County.
Three in Trimble County.

IV. That the Company now owns the following loose leaf warehouses:

Two in Bracken County.
One in Boone County.
One in Fayette County.
One in Fleming County.
Two in Grant County.
One in Hart County.
One in Harrison County.
One in Henry County.
One in Letcher County.
One in Meade County.
One in Mercer County.
One in Morgan County.
One in Owen County.
One in Pendleton County.
One in Shelby County.

It is charged that practically all the warehouses have been vacant and have produced no revenue since 1912; that they could have been operated to produce an income, but the officers of the Company fraudulently misused them so as to produce no income; have neglected them and that they are rapidly depreciating in value.

We find from investigating the records of the Company that in the management of the loose-leaf warehouses the Company has made a profit equal to eleven per cent on the amount invested; that on the management of all its warehouse property, including loose-leaf warehouses, it has made a profit of eight per cent on the amount invested. We find nothing to support the charge that the business or property of the Company has been neglected or improperly handled.

When the Burley Tobacco Company was organized the loose-leaf market business had not been established. It has come into existence since that time. The Burley Tobacco Company in order to accommodate the pooled tobacco of 1909 found it necessary to purchase or erect warehouses at various places in order to furnish convenient delivery points for the growers. Since the development of the loose-leaf market some of these properties are not necessary in carrying on the business of the Company, and we recommend to the stockholders the passage of a resolution recommending to the Board of Directors that they dispose of such properties as the Company now has, at the best obtainable price, which it no longer needs, and if the property can not be sold advantageously, then to remove the improvements to some point where the Company can use them to advantage and sell the real estate.

V. It is charged that LeBus made a cash

tract to purchase the High Oaks property for \$300,000; that he failed to have the title examined before bidding the Company to take the property; that after this contract was made, it was discovered that the property was under lease and it was necessary to pay an additional \$5,000 to get possession of the property from the tenant; that all this was done fraudulently and corruptly.

It is charged that the Company purchased the Orchard Park property for \$200,000, and that no part of this property was necessary for the Company's use and that the officers of the Company have negligently failed to handle the property since its purchase so as to derive any benefit therefrom.

It is further charged that the warehouse built by the Company in Lexington cost \$70,000 and the equipment \$10,000; that these prices were grossly excessive and constituted a wasteful expenditure of the Company's money.

Concerning the purchase of the High Oaks property, we find upon investigation that this property was bought after full and careful consideration by the Executive Committee. The purchase price agreed upon with the owners of the property was \$35,000. The title to the property was examined and by reason of the fact that one of the interests was owned by a minor it was necessary to institute a suit to sell said property, and it was bought under a decree of court. At the time a contract was made with the owners of the property for its purchase the Executive Committee had full knowledge of the fact that the property was then under lease to Dr. George P. Sprague for a period of five years. An additional amount was paid to the tenant to secure a cancellation of his lease.

At the time the negotiations for the purchase of this property were under way it was all important that the Burley Tobacco Company have a suitable site for its proposed warehouse, and as it was then late in the year and much work would have to be done toward the construction of the warehouse, and it was doubtful whether the purchase of the High Oaks property could be consummated, the Executive Committee decided to purchase the Orchard Park property from J. D. Creighton for \$20,000. At that time the Executive Committee contemplated the establishment of a factory in Lexington and the Orchard Park property would have been an excellent site for such a factory and for additional warehouses.

We find no fact to sustain the charge that any of the officers of the Company were guilty of negligence or bad judgment in the purchase of these properties. We regard them as wise investments and believe that the property was fully worth the amount paid, and inquiry concerning the present value of these properties convinces us that the Company will not only not lose any money on account of either purchase, but will make a substantial profit by reason of the fact that the value of the real estate in this part of the City of Lexington has greatly increased since the purchase of these properties.

Concerning the charge that the officers of the Company were guilty of extravagance in paying \$70,000 for the warehouse, we find upon investigation that bids were obtained for the construction of the warehouse, and the Committee let the work upon the best obtainable terms. The records of the Company show that the investment made in the purchase of this property and the construction of the warehouse has proven quite profitable to the Company.

VI. It is further charged that the Company paid \$400,000 for the Strater Bros. factory plant and charged that the fair market value of this property that it cost \$400,000, and that the property had been offered for sale at that price shortly before the Burley Tobacco Company purchased it.

It is also charged that the machinery and equipment were old and antiquated and in bad shape and had little value; that the Company continued to manufacture the old brands of tobacco and created and put on the market new brands; and that the Company has wastefully and corruptly expended large sums of money in advertising said brands of tobacco.

After investigating this charge we find that the property was bought as reasonably as it could have been, as we have sworn evidence to prove that other parties were willing to pay the same price for it. We find the machinery in good condition and not at all antiquated. In our judgment the officers of the Company acted in good faith in advertising the brands of tobacco, and in no sense was there any evidence of corruption.

VII. It is further charged that in the management of the Strater Bros. factory the Company has lost \$300,000 and that this loss is steadily increasing.

This Committee has spent several days going carefully into every phase of the business of the Strater Bros. Factory and informed itself concerning the nature and extent of the business and the condition of the property. We have caused Mr. C. W. Banta, of Louisville, Ky., recognized as one of the ablest and most reliable accountants in this state, to prepare for us a report showing the profit and loss account of the factory ever since its purchase by the Burley Tobacco Company up to October 1, 1915. We file herewith as a part of this report the Statement prepared by Mr. Banta. This Statement shows that the operation of the factory has resulted in a loss to the Company, but this loss has been gradually decreasing until now the operation of the factory is showing an actual profit to the Company. The report of the last three months shows a net profit of \$5,344.34.

COMBINED STATEMENT BURLEY TOBACCO CO., LEXINGTON, KY.

Strater Brothers Tobacco Co. Branch, Louisville, Ky., Sept. 30, 1915.

RESOURCES.

Inventory, Louisville tobacco and factory supplies \$280,052.42
Accounts receivable 28,832.25
Cash 7,399.31
Total \$316,283.98

Real Estate.

Real Estate \$760,839.50
County Chatter (deeds, leases, etc., trucks, baskels, etc.) 55,519.57
Total \$816,359.07

It is charged that LeBus made a cash

Property Accounts.

Brands and Good Will \$225,344.12
Bills Receivable 15,499.72
Stock in Tobacco Boards of Trade 275.00
Plates, Dies, etc. 4,987.44
Automobiles and Wagon 3,050.05
Personal Accounts 543.42
Total \$255,709.76

Liabilities.

Stock Account (10 per cent capital stock) \$1,051,810.82
Surplus 69,893.26
Total \$1,121,704.08

Bills and Accounts Payable.

Bills Payable \$250,500.00
Accounts Payable 24,882.20
Total \$275,382.20

Reserve for Bad Accounts 44.70
Personal Accounts 573.02
Total \$1,427,704.09

VIII. It is charged that at the time the factory was purchased the annual output under the former management was 2,500,000 pounds of tobacco annually; that during the first year the Company operated the factory its output was 2,000,000 pounds; during the second year 1,500,000 pounds. It is further charged that the sum of \$75,000 has been recklessly and fraudulently squandered in advertising the brands of tobacco; and that tobacco of the value of \$30,000 has been fraudulently given away for the purpose of advertising some of the brands.

It is also charged that the Company is carrying on its books a lot of brands of tobacco and good will as having a value of \$200,000; that these brands and good will are imaginary assets and that the books entries are fictitious and fraudulent.

We find the factory's output is about 1,500,000 pounds.

We do not find that there was any part of the \$75,000 used in advertising fraudulently spent.

We find that \$30,000 worth of tobacco was distributed for legitimate advertising purposes, but there is absolutely no truth in the charge that it was fraudulently given away.

We find that the sum of \$200,000 was expended for certain brands and good will, and that these are not imaginary assets, and if this factory continues in operation it is in our judgment that these brands and good will are proving a profitable investment.

IX. It is charged that during the year 1912 and the early part of the year 1913, the officers of the Company for the purpose of depleting its assets placed incompetent agents on the Lexington, Louisville and Cincinnati markets and caused them to purchase 400 hogheads of tobacco which the Company could not use and for which it had no use; that in the winter of 1912 and 1913, 200 hogheads of tobacco were purchased in addition to the above 400, and the Company paid therefor eighteen cents per pound, while the market price was ten cents per pound.

It is charged that the purchase of the Company's assets; that the officers of the Company afterwards, during the summer of 1914, sold practically all of this tobacco at a loss of one-third of the original cost, and the amount realized from the sale was used to prefer certain creditors whom the President and members of the Executive Committee desired to favor.

It is also charged that this tobacco was sold to the American Tobacco Company, W. L. Rector Company and R. J. Reynolds Tobacco Company for the fraudulent purpose of favoring these corporations, two of which were formerly identified with the Trust.

We have carefully investigated the facts concerning the purchase of this tobacco. The tobacco crop grown during the season of 1912 and sold during the market season of 1912 and 1913 was an unusually fine crop and contained an unusual amount of high-grade tobacco which was especially suited for the use of the Company in manufacturing its brand of City Club. The managers of the Company anticipated a rapidly increasing demand for this brand and believed it was the part of good business to purchase a liberal quantity of the higher grades of tobacco sold on the market during that season. This tobacco was for the most part purchased late in the season and after March 1, 1913, the buying for the Company being held off until that time.

These same grades of tobacco had sold earlier in the season from five to ten cents per pound higher than the Burley Tobacco Company paid for it, and these higher prices were paid by the large manufacturing companies some of which were formerly members of the Tobacco Trust. The purchase of this tobacco was regarded by the officers of your Company as wise, and we find that the tobaccos which were purchased were fully worth the prices paid at that time.

While it is impossible to measure in dollars and cents the damage to the Company's business growing out of the receivership suits filed in Covington in 1912, we think it is undoubtedly true that these suits greatly injured the business of the Company and affected its sale of manufactured brands of tobacco. The output of the factory did not fulfill the expectations of the Company's officers, but this failure was in our opinion due in large part to the discussions within the Company and the suits above mentioned and also to the depressed commercial condition which has prevailed everywhere in this country for several years. The Company was carrying a large indebtedness which was owing to various banking institutions, and these institutions were pressing the Company for payment. The Executive Committee was compelled to sell a large portion of this tobacco. The tobacco was sold at the best price obtainable and at its full market value, and any loss which was incurred on this tobacco was due to the fact that the prices of tobacco had considerably dropped since it was purchased. The loss to the Company from this source, including interest on borrowed money and carrying charges, amounted to \$87,800.

We do not believe that your officers